

**AMENDED AND RESTATED  
FORM A**

**STATEMENT REGARDING THE ACQUISITION OF  
CONTROL OF OR MERGER WITH A DOMESTIC INSURER**

**Liberty Life Assurance Company of Boston**

Name of Domestic Insurer

by

**The Lincoln National Life Insurance Company**

and

**Lincoln National Corporation**

Name of Acquiring Persons (Applicants)

Filed with the Insurance Department of the State of New Hampshire

Date: April 4, 2018

**Name, Title, Address and Telephone Number of Individual to Whom Notices  
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This Amended and Restated Form A Statement (this “Amended and Restated Statement”) is being submitted to the Commissioner (the “Commissioner”) of the New Hampshire Insurance Department (the “Department”) by Lincoln National Corporation, an Indiana corporation (“LNC”), and The Lincoln National Life Insurance Company, a stock life and health insurance company domiciled in the State of Indiana and a direct, wholly owned subsidiary of LNC (the “Buyer” and, together with LNC, the “Applicants”). This Amended and Restated Statement amends and restates in its entirety that certain Form A Statement dated January 26, 2018 (the “Original Statement”) filed by the Applicants. A redline copy of the Amended and Restated Statement marked against the Original Statement is attached as **Exhibit I** hereto.

Certain exhibits to this Amended and Restated Statement contain confidential commercial, financial, and/or proprietary information that is protected from misappropriation under N.H. Rev. Stat. § 350-B and excepted from disclosure under N.H. Rev. Stat. § 91-A:5(IV). Accordingly, the Applicants respectfully request that **Exhibits A-2, D-1, D-2, D-3, F-1, F-2 and I** (including all annexes and exhibits thereto) be afforded confidential treatment pursuant to all applicable provisions of law.

In addition, the National Association of Insurance Commissioners (the “NAIC”) biographical affidavits provided as **Exhibit C-2** have been submitted to the Department in confidence and contain certain information that is not otherwise available to the public, are subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. All biographical affidavits have been provided with the express understanding that the confidentiality of such information contained therein will be safeguarded and such individuals will be protected from any and all unwarranted invasions of personal privacy pursuant to all applicable provisions of law, including, but not limited to, N.H. Rev. Stat. § 91-A:5(IV).

The confidential materials described above have been separately filed in binders marked “Confidential.” The Applicants request that (i) the Applicants be notified in advance of any proposed disclosure of such confidential materials by the Department and (ii) the Applicants be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.

## **ITEM 1. METHOD OF ACQUISITION**

### **A. *Name and Address of the Domestic Insurer***

This Amended and Restated Statement seeks the approval of the Commissioner, pursuant to the requirements of N.H. Rev. Stat. § 401-B:3, for the Applicants’ acquisition of control of Liberty Life Assurance Company of Boston, a stock life and health insurance company domiciled in the State of New Hampshire (the “Domestic Insurer”). The statutory home office and main administrative office address of the Domestic Insurer is 175 Berkeley Street, Boston, MA 02116. In accordance with N.H. Rev. Stat. § 401-B:3(I)(a), the Applicants provided the Domestic Insurer with a copy of the Original Statement on January 29, 2018 and will provide the Domestic Insurer with a copy of this Amended and Restated Statement promptly following the filing of this Amended and Restated Statement with the Department.

Liberty Mutual Insurance Company, a reorganized stock property and casualty insurance company domiciled in the Commonwealth of Massachusetts (“LMIC”), directly owns ninety percent (90%), and Liberty Mutual Fire Insurance Company, a reorganized stock property and casualty insurance company domiciled in the State of Wisconsin (“LMFIC,” and together with LMIC, the “Sellers”), directly owns ten percent (10%), of the issued and outstanding capital stock of the Domestic Insurer (collectively, the “Shares”).

The Domestic Insurer is a direct subsidiary of LMIC and LMFIC and an indirect, wholly owned subsidiary of Liberty Mutual Holding Company Inc. (“LMHC,” and, collectively with its subsidiaries, “Liberty Mutual”). Liberty Mutual is a diversified insurer with operations in 29 countries and economies around the world. It employs more than 50,000 people in over 800 offices throughout the world. It offers a wide range of insurance products and services, including personal automobile, homeowners, commercial automobile, general liability, property, surety and workers compensation, among other products and lines of business.

*B. Method of Acquisition*

The Applicants propose to acquire all of the Shares (the “Proposed Acquisition”) pursuant to a Master Transaction Agreement, dated as of January 18, 2018 (the “Master Transaction Agreement”), by and among the Sellers, the Buyer, Protective Life Insurance Company, a stock life and health insurance company domiciled in the State of Tennessee (the “Reinsurer”), and, solely for purposes set forth therein, each of LNC, Liberty Mutual Group, Inc., a Massachusetts corporation (“LMGI”), and Protective Life Corporation, a Delaware corporation (the “Reinsurer Parent”). Thus, upon the closing of the Proposed Acquisition, all of the Shares will be owned directly by the Buyer and indirectly by LNC. The Master Transaction Agreement, a copy of which was attached as Exhibit A-1 to the Original Statement, is hereby incorporated by reference as Exhibit A-1 hereto, and the exhibits and schedules to the Master Transaction Agreement, a copy of which was attached as Exhibit A-2 to the Original Statement, is hereby incorporated by reference as Exhibit A-2 hereto. The summary of the Proposed Acquisition contained in this Amended and Restated Statement is qualified in its entirety by reference to the Master Transaction Agreement and the related exhibits and schedules.

The Domestic Insurer currently operates the Sellers’ group benefits business and individual life and annuity business. In connection with the Proposed Acquisition, (a) the Applicants will acquire the Sellers’ group benefits business (including the assets and systems infrastructure related to such business), and (b) the Domestic Insurer will cede, through indemnity reinsurance, substantially all of the Domestic Insurer’s non-New York and New York individual life and individual and group annuity business (including the assets and infrastructure related to such business, which will be sold by the Sellers to the extent not owned by the Domestic Insurer) to the Reinsurer and the Reinsurer’s affiliate, Protective Life and Annuity Insurance Company, a stock life and health insurance company domiciled in the State of Alabama and commercially domiciled in the State of New York (the “NY Reinsurer” and, together with the Reinsurer, “Protective”), respectively.

In connection with the Proposed Acquisition, the Sellers will receive aggregate cash consideration in an amount equal to approximately \$3.269 billion. For purposes of the closing of the transactions provided for in the Master Transaction Agreement (the “Closing”), the amounts

payable by the Buyer to the Sellers will be estimated as set forth in Section 2.08(a) of the Master Transaction Agreement and will be subject to post-Closing adjustments as set forth in Section 2.11, Section 2.12 and Section 2.14 of the Master Transaction Agreement.

The parties desire to close the Proposed Acquisition upon receipt of required approvals from, and the making of required filings and notices with, governmental and regulatory authorities and the satisfaction of other customary closing conditions.

Additional information concerning the Master Transaction Agreement, the Proposed Acquisition and related matters can be found in LNC's Current Report on Form 8-K, filed on January 19, 2018 with the U.S. Securities and Exchange Commission (the "SEC"), a copy of which was attached as Exhibit G-4 to the Original Statement, which is hereby incorporated by reference as Exhibit G-4 hereto, as well as LNC's Current Report on Form 8-K, filed on January 22, 2018 with the SEC, a copy of which was attached as Exhibit G-5 to the Original Statement, which is hereby incorporated by reference as Exhibit G-5 hereto.

## **ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANTS**

### *A. Names and Addresses of the Applicants*

The name and current business address of each Applicant seeking to acquire control of the Domestic Insurer is as follows:

Lincoln National Corporation  
150 North Radnor Chester Road  
Radnor, PA 19087

The Lincoln National Life Insurance Company  
1300 South Clinton Street  
Fort Wayne, IN 46802

### *B. Business Operations of the Applicants*

#### **1. General Business Description**

##### LNC

LNC is a publicly traded holding company, whose common stock trades on the New York Stock Exchange under the symbol "LNC." LNC has no other classes of stock outstanding. LNC operates multiple insurance and retirement businesses through its subsidiary companies. Through LNC's business segments, LNC sells a wide range of wealth protection, accumulation and retirement income products and solutions. LNC was organized under the laws of the state of Indiana in 1968. LNC currently maintains its principal executive offices in Radnor, Pennsylvania. "Lincoln Financial Group" is the marketing name for LNC and its subsidiary companies. As of December 31, 2017, LNC had consolidated assets of \$281.8 billion and consolidated stockholders' equity of \$17.3 billion.

Additional information concerning LNC's history, business segments, products, strategies and operating principles can be found under the caption "Item 1. Business" in LNC's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC, a copy of which is attached as **Exhibit G-2** hereto.

### **The Buyer**

The Buyer is a wholly owned subsidiary of LNC. The Buyer owns 100% of the outstanding common stock of one insurance company subsidiary, Lincoln Life & Annuity Company of New York, a stock life and health insurance company domiciled in the State of New York. The Buyer also owns several non-insurance companies, including Lincoln Financial Distributors, Inc. ("**LFD**") and Lincoln Financial Advisors Corporation, LNC's wholesaling and retailing business units, respectively. The Buyer's principal businesses consist of underwriting annuities, deposit-type contracts and life insurance through multiple distribution channels. The Buyer is licensed and sells its products throughout the U.S. and several U.S. territories. The Buyer provides products and services and reports results through four business segments as follows: (a) annuities, (b) retirement plan services, (c) life insurance and (d) group protection. The Buyer also has other operations, which include the financial data for operations that are not directly related to the business segments.

Lincoln Financial Network and LFD are the Buyer's retail and wholesale distributors, respectively. LFD distributes the Buyer's individual products and services, retirement plans and corporate-owned universal life insurance and variable universal life insurance and bank-owned universal life insurance and variable universal life insurance products and services. The distribution occurs primarily through consultants, brokers, planners, agents, financial advisors, third-party administrators ("**TPAs**") and other intermediaries. The Buyer's group protection business segment distributes its products and services primarily through employee benefit brokers, TPAs and other employee benefit firms.

## **2. Business Intended to be Done by the Applicants**

The Applicants are committed to expanding their presence in the group protection business. The Proposed Acquisition provides many new capabilities that will supplement the Buyer's current business, including the Domestic Insurer's national accounts footprint, sales and distribution personnel and relationships, and state-of-the-art disability and absence management platform that serves as a true differentiator in the marketplace. The Domestic Insurer's strength, reputation and track record in the large case market complements the Buyer's small- to mid-market focus, and the Proposed Acquisition will enable the Buyer to offer group benefits solutions across all customer segments with minimal overlap to the Domestic Insurer's and the Buyer's respective businesses. For a transition period following the Closing, pursuant to a transition services agreement to be entered into between LMIC and the Buyer, which is attached in substantial form to the Master Transaction Agreement as Exhibit F, LMIC will provide or cause to be provided certain services to the Buyer and its affiliates with respect to the Domestic Insurer's group benefits business.

C. *The Applicants' Organizational Chart*

Attached as **Exhibit B-1** to the Original Statement, which is hereby incorporated by reference as **Exhibit B-1** hereto, is an organizational chart presenting the identities of the interrelationships among the Applicants and their subsidiaries and affiliates before giving effect to the Proposed Acquisition, and attached as **Exhibit B-2** to the Original Statement, which is hereby incorporated by reference as **Exhibit B-2** hereto, is an organizational chart presenting the identities of the interrelationships among the Applicants and their subsidiaries and affiliates after giving effect to the Proposed Acquisition.<sup>1</sup> The organizational charts include the percentage of voting securities owned or controlled by the Applicants or any other such persons, including control other than by voting securities, the type of organization (*e.g.*, corporation, trust, partnership) and the state or other jurisdiction of domicile.

There are no court proceedings involving a reorganization or liquidation pending with respect to any of the entities or individuals depicted in the organizational chart attached hereto as **Exhibit B-1**.

**ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS**

The Applicants and their names and business addresses are stated in Item 2(A) hereof.

Attached as **Exhibit C-1** to the Original Statement, which is hereby incorporated by reference as **Exhibit C-1** hereto, is a list of the directors and executive officers of the Buyer. LNC owns 100% of the issued and outstanding capital stock of the Buyer. A list of the directors and executive officers of LNC is also included in **Exhibit C-1**. LNC is a publicly traded holding company, and no single person or group of persons directly or indirectly owns, controls, holds with power to vote or holds proxies representing collectively ten percent (10%) or more of the voting securities of LNC, with the exception of Vanguard Group Inc. ("**Vanguard**"), solely in its capacity as an institutional investor. As of January 31, 2018, Vanguard's internally managed funds owned approximately 10.87% of LNC's then-outstanding voting common shares. In a disclaimer letter that was submitted separately to the Department on March 14, 2018, Vanguard requested, pursuant to N.H. Rev. Stat. § 401-B:4(XI) and N.H. Code of Admin. Rules § 1501.16(a), a determination by the Department that (a) for purposes of the Original Statement and the requirements of RSA 401-B:3(I)(a), Vanguard does not have control, as defined in RSA 401-

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<sup>1</sup> According to the Master Transaction Agreement, the Domestic Insurer's subsidiaries include (i) Liberty Assignment Corporation, a qualified structured settlement assignment company incorporated in Delaware ("**LAC**"), which purchases annuities from the Domestic Insurer to fund periodic payment obligations under qualified structured settlements for which it is the assignee, (ii) Liberty Personal Insurance Company, a stock property and casualty insurance company domiciled in the State of New Hampshire ("**LPIC**"), and (iii) Barco Assignments Ltd., a limited liability company licensed to conduct international business under the Laws of Barbados ("**Barco**," and together with LPIC, the "**Excluded Subsidiaries**"). As a condition to the Closing, pursuant to the consummation of the Restructuring Transactions (as defined in the Master Transaction Agreement), the Sellers will cause the Domestic Insurer to distribute its interests in the Excluded Subsidiaries as a dividend and, as a result, the Domestic Insurer will cease to own any interest in the Excluded Subsidiaries. As a result, at the time of the Closing, LAC will be the only subsidiary of the Domestic Insurer.

B:1(III), of LNC, and (b) should the Proposed Acquisition be approved and consummated, Vanguard does not have control, as defined in RSA 401-B:1(III), of the Domestic Insurer.

Signed original NAIC biographical affidavits completed by each individual listed in **Exhibit C-1** were filed contemporaneously with the Original Statement as **Exhibit C-2**, which is hereby incorporated by reference as **Exhibit C-2** hereto. The Applicants submitted the NAIC biographical affidavits included in **Exhibit C-2** to a third-party background check service provider approved by the NAIC. The principal business activity, occupation, or employment and additional employment history of each individual listed in **Exhibit C-1** is stated in the NAIC biographical affidavits. Additionally, the material occupations, positions, offices or employment during the last five years, including the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to each individual listed in **Exhibit C-1**, are stated in the NAIC biographical affidavits. To the knowledge of the Applicants, none of the individuals listed in **Exhibit C-1** has been convicted in the last ten years in a criminal proceeding (excluding minor traffic violations).

#### **ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

##### *A. Nature, Source and Amount of Consideration*

A more concise description of the Buyer's source of funds for the Purchase Price (as defined below), which was described in Table 1 in the Original Statement, is being restated in this Amended and Restated Statement, as follows:

Pursuant to the terms and conditions of the Master Transaction Agreement, in connection with the Proposed Acquisition, the Sellers will receive aggregate cash consideration of approximately \$3.269 billion, subject to certain adjustments as set forth in the Master Transaction Agreement (the "Purchase Price"). The amount of cash consideration payable by the Buyer to the Sellers will be reduced by an amount equal to the amount of any Extraordinary Dividend (as defined below) actually distributed to Sellers at the Closing.

The Buyer's source of funds for the Purchase Price will consist of a combination of cash on hand (including cash raised in the Notes Offering described below) and borrowings under short-term debt facilities. None of the contemplated indebtedness will be secured by the stock of any of the Applicants' subsidiaries, whether acquired through the Proposed Acquisition or otherwise. The Closing is not subject to any financing contingency.

On February 12, 2018, LNC completed the issuance and sale of \$500 million aggregate principal amount of its 3.80% Senior Notes due 2028 (the "2028 Notes"), at a price to the public of 99.767% (the "Notes Offering"). LNC intends to use the net proceeds of the offering of the 2028 Notes to fund a portion of the Purchase Price. Additional information concerning the Notes Offering can be found in LNC's Current Report on Form 8-K, filed on February 12, 2018 with the SEC, a copy of which is attached as **Exhibit G-6** hereto.



*B. Criteria Used in Determining the Nature and Amount of Such Consideration*

The nature and amount of consideration were determined through due diligence, arm's length negotiations between unrelated parties and consideration of a variety of factors, including third-party appraisal values, internal appraisal values, and the advice of the parties' respective financial, actuarial, and other advisors.

*C. Identity of Lender*

Not applicable.

**ITEM 5. FUTURE PLANS OF INSURER**

*A. Introduction*

The Applicants have no present plans: (i) to cause the Domestic Insurer to declare any extraordinary dividend (other than the Extraordinary Dividend (as defined below)), (ii) to liquidate the Domestic Insurer, (iii) to sell the assets of the Domestic Insurer to any other person or persons, (iv) to merge the Domestic Insurer with any person or persons (other than as described below in Item 5(C)(2)), or (v) to make any other material change in the Domestic Insurer's business operations or corporate structure or management (other than as described below in Items 5(B)(2), 5(B)(3), 5(B)(6), 5(B)(7) and 5(C)(1)).

The Applicants' present plans or proposals with respect to the future operations of the Domestic Insurer are set forth in greater detail in the proprietary plan of operations attached as **Exhibit D-1** hereto, including the three-year financial projections for the Domestic Insurer, which have been updated to reflect the December 31, 2017 financials of the Domestic Insurer and to conform to other changes in this Amended and Restated Statement, which are attached as **Exhibit D-2** hereto. A redline copy of the plan of operations attached as **Exhibit D-1** hereto marked against the plan of operations attached as **Exhibit D-1** to the Original Statement is attached as **Exhibit D-3** hereto. The diagrams attached as **Exhibit E** hereto depict the significant transaction steps related to the Proposed Acquisition and are qualified in their entirety by reference to the descriptions of such transactions included in this Amended and Restated Statement and the terms of the Master Transaction Agreement and the related exhibits and schedules. The schedule of the regulatory approvals that the parties are seeking from the Department in connection with the transactions related to the Proposed Acquisition, as set forth in email correspondence with the Department dated February 28, 2018, is hereby incorporated by reference.

*B. Transactions Proposed to Occur Immediately Prior to or Simultaneously with the Closing*

**1. Extraordinary Dividend**

The Domestic Insurer is applying separately to the Department for approval to pay to the Sellers, simultaneously with the Closing, an extraordinary dividend in an amount not to exceed \$1.80 billion (the "**Extraordinary Dividend**"). The Extraordinary Dividend will be declared immediately prior to the Closing and will be payable to the Sellers as record owners of the Domestic Insurer. The release of funds for payment of the Extraordinary Dividend will occur at the Closing and will be conditioned on the occurrence of the Closing. The amount of cash

consideration payable by the Buyer to the Sellers will be reduced by an amount equal to the amount of any such Extraordinary Dividend actually distributed to Sellers at Closing. As shown in the financial projections attached as **Exhibit D-2** hereto, following payment of the Extraordinary Dividend, the closing of the Proposed Acquisition and the effectiveness of the reinsurance transactions described in Items 5(B)(2), 5(B)(3) and 5(B)(7) below, the Domestic Insurer expects to have total adjusted capital in an amount of at least 400% of company action level risk-based capital. Approval of the Extraordinary Dividend is not a condition to the Closing.

The Master Transaction Agreement provides, in the event that the Commissioner indicates that he will not approve the Extraordinary Dividend without an increase in the Domestic Insurer's surplus, at the Buyer's election (in its sole discretion), and subject to receipt of required regulatory approvals, the Domestic Insurer may issue to the Buyer at the Closing (but before the closing of the Proposed Acquisition) in exchange for a cash purchase price, payable by the Buyer, a surplus note with a principal amount equal to the increase in the Domestic Insurer's surplus required by the Commissioner to approve the Extraordinary Dividend (the "**Closing Date Surplus Note**"). In lieu of the Closing Date Surplus Note, in connection with the payment of the Extraordinary Dividend, the Applicants intend to issue a parental guarantee to the Commissioner (the "**Parental Guarantee**"), the form of which is attached hereto as **Exhibit K**. The Parental Guarantee will take effect upon payment by the Domestic Insurer of the Extraordinary Dividend, and will remain in effect until the Domestic Insurer is merged into the Buyer (as described in further detail in Item 5(C)(2) below). Further, in connection with the Extraordinary Dividend, the Buyer and the Sellers have entered into an agreement (the "**Letter Agreement**"), a copy of which is attached hereto as **Exhibit J**. Pursuant to the Letter Agreement, subject to certain conditions and exclusions set forth therein, the Buyer has agreed to indemnify the Sellers and their affiliates for losses, damages, levies and fines incurred or actually paid to the extent arising out of, in connection with or relating to the declaration or payment of the Extraordinary Dividend.

## **2. Sale of the Domestic Insurer's Individual Life and Individual and Group Annuity Business**

In connection with the Proposed Acquisition, with the exception of a legacy block of the Domestic Insurer's affiliated corporate- and bank-owned life insurance policies, as well as policies issued to Liberty Mutual executives (collectively, the "**COLI Policies**"), the Domestic Insurer plans to cede, through indemnity reinsurance, substantially all of the Domestic Insurer's individual life and individual and group annuity business to Protective. Specifically:

- Simultaneously with the Closing, the Domestic Insurer will cede substantially all of the Domestic Insurer's (a) non-New York individual life and individual and group annuity business (the "**Non-New York Policies**") to the Reinsurer, and (b) New York individual life and individual and group annuity business (the "**New York Policies**") to the NY Reinsurer. Under the terms of the reinsurance agreements, the Reinsurer and the NY Reinsurer will reinsure 100% of the applicable general account liabilities on a coinsurance basis and 100% of the applicable separate account liabilities on a modified coinsurance basis. The proposed reinsurance agreement between the Domestic Insurer and the Reinsurer is attached in substantial form to the Master Transaction Agreement as Exhibit M (the "**Reinsurance Agreement**"), and the proposed reinsurance agreement between the Domestic Insurer and the NY Reinsurer will be substantially similar to the Reinsurance

Agreement, as modified to cover only the New York reinsured liabilities (the “New York Reinsurance Agreement” and, together with the Reinsurance Agreement, the “Protective Reinsurance Agreements”).<sup>2</sup>

- The Protective Reinsurance Agreements will remain in effect until such time as (1) the Domestic Insurer’s liability arising out of or related to the reinsured policies is terminated in accordance with the respective terms thereof or (2) the Domestic Insurer has elected to recapture the reinsured liabilities in full pursuant to the terms of the applicable Protective Reinsurance Agreement.
- The aggregate amount of statutory reserves of the Domestic Insurer with respect to the policies to be ceded to Protective under the Protective Reinsurance Agreements is estimated to be approximately \$13.1 billion as of December 31, 2017, excluding reserves allocated to separate accounts.
- In connection with the Protective Reinsurance Agreements, to calculate reserves for the structured settlement and single premium immediate annuity blocks being reinsured, Protective intends to use the carve-out method under Actuarial Guideline IX-B (rather than the graded interest method, which the Domestic Insurer currently uses to calculate such reserves). This alternative reserve calculation will result in the Domestic Insurer transferring, on a net basis, approximately \$142 million fewer assets to Protective than the corresponding amount of statutory liabilities on the books of the Domestic Insurer, which will result in an increase in the Domestic Insurer’s surplus in an amount equal to approximately \$142 million. With respect to the term life insurance block being reinsured, while the Domestic Insurer will cede all of its net statutory reserves for this business to Protective, the total amount of assets being transferred to Protective is estimated to be approximately \$109 million less than such statutory reserve amount. This estimated \$109 million differential arises because it relates to “non-economic” reserves associated with such business and Protective is not requiring that the Domestic Insurer transfer investment assets to support that portion of the reserves. Accordingly, the Domestic Insurer’s surplus will be increased by an additional approximately \$109 million.
- As consideration for the sale of the individual life and individual and group annuity business, Protective will pay to the Domestic Insurer (and not to the Applicants) an aggregate ceding commission in an amount (after taking into account certain tax-related and post-Closing adjustments, as set forth in Section 2.11 of the Master Transaction Agreement) equal to approximately \$410 million.

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<sup>2</sup> As a condition to the Closing, pursuant to the consummation of the Restructuring Transactions (as defined in the Master Transaction Agreement), the Domestic Insurer and its affiliate, St. James Insurance Ltd., a company organized under the laws of Bermuda (“St. James”), will enter into a commutation agreement (the “Commutation Agreement”) pursuant to which the Domestic Insurer will recapture all of the individual life and individual and group annuity business that is currently reinsured by St. James and which will then be ceded by the Domestic Insurer to the Reinsurer under the Reinsurance Agreement. The request for the Commissioner’s approval of the Commutation Agreement pursuant to N.H. Rev. Stat. § 401-B:5(I)(b)(3) was filed separately by the Domestic Insurer on February 12, 2018.

- Each of the Reinsurer and the NY Reinsurer will establish a book value “comfort” trust with qualified assets to secure its reinsurance obligations to the Domestic Insurer. The proposed trust agreement related to the Reinsurance Agreement is attached in substantial form to the Master Transaction Agreement as Exhibit P (the “Trust Agreement”), and the proposed trust agreement related to the New York Reinsurance Agreement will be substantially similar to the Trust Agreement, as modified to cover only the New York reinsured liabilities.
- To fund a portion of the assets held in trust, at the Closing, the Reinsurer may issue to each of the Buyer and LMIC in exchange for a cash purchase price, payable by each of the Buyer and LMIC, a surplus note with a principal amount equal to \$55 million (or such lesser amount as is designated by the Reinsurer prior to the Closing). The surplus notes are attached in substantial form to the Master Transaction Agreement as Exhibits S and T.
- The initial amounts payable by the Domestic Insurer, the Reinsurer and the NY Reinsurer pursuant to the Protective Reinsurance Agreements will be adjusted and settled in accordance with Sections 2.12 and 8.23 of the Master Transaction Agreement.
- During a transition period following the Closing, (i) pursuant to a transition services agreement to be entered into between LMIC and the Reinsurer, which is attached in substantial form to the Master Transaction Agreement as Exhibit N, LMIC will provide or cause to be provided certain services to the Reinsurer and its affiliates with respect to the reinsured business, and (ii) pursuant to a transition services agreement to be entered into between the Buyer and the Reinsurer, which is attached in substantial form to the Master Transaction Agreement as Exhibit J (the “Life Business Transition Services Agreement”), with respect to certain systems of the Domestic Insurer that service both the Domestic Insurer’s individual and group business, the Buyer will provide or cause to be provided certain services to the Reinsurer to facilitate the administration of the Domestic Insurer’s individual life and individual and group annuity business.
- Each of the Reinsurer and the NY Reinsurer will administer the business assumed by such reinsurer pursuant to an administrative services agreement between the Domestic Insurer, on the one hand, and the Reinsurer or the NY Reinsurer, on the other hand. The proposed administrative services agreement between the Domestic Insurer and the Reinsurer is attached in substantial form to the Master Transaction Agreement as Exhibit B (the “Administrative Services Agreement”), and the proposed administrative services agreement related to the New York Reinsurance Agreement will be substantially similar to the Administrative Services Agreement, as modified to cover only the New York reinsured liabilities (the “New York Administrative Services Agreement,” and together with the Administrative Services Agreement, the “Protective Administrative Services Agreements”).
- The Reinsurer and insurance agencies affiliated with the Sellers (the “LM Distributors”) intend to negotiate in good faith prior to the Closing and enter into a distribution agreement (if terms are finalized prior to the Closing or within sixty (60) days thereof) (the “Distribution Agreement”), pursuant to which the Reinsurer would be, subject to certain exceptions, the exclusive provider of certain individual term and permanent life insurance

policies and fixed, fixed index and immediate annuity contracts for distribution by the LM Distributors for a period of three (3) years following the Closing, except that, during a transition period lasting until December 31, 2018, the LM Distributors would continue to distribute such products issued on the policy forms of the Domestic Insurer (which issuance is permitted under the Administrative Services Agreements). It is contemplated that the Distribution Agreement would have a three (3) year initial term, and thereafter renew annually until terminated, and that the life and annuity policies issued by the Domestic Insurer pursuant to the Distribution Agreement would be reinsured and administered by the Reinsurer or the NY Reinsurer, as applicable, pursuant to the Protective Reinsurance Agreements and the Protective Administrative Services Agreements. A term sheet for the proposed Distribution Agreement is attached in substantial form to the Master Transaction Agreement as Exhibit Q.

The Applicants, on behalf of the Domestic Insurer, respectfully request that the Commissioner's approval of this Amended and Restated Statement be deemed to include approval of the Protective Reinsurance Agreements pursuant to N.H. Rev. Stat. § 403-A:3.

### **3. Reinsurance of the COLI Policies**

With respect to the COLI Policies, simultaneously with the Closing, the Domestic Insurer proposes to cede on an indemnity coinsurance basis, 100% of the Domestic Insurer's liabilities with respect to such COLI Policies to Liberty Re (Bermuda) Limited, a company organized under the laws of Bermuda and a direct, wholly owned subsidiary of LMIC (the "Bermuda Reinsurer"). This reinsurance will be effective as of the first day of the calendar month in which the Closing occurs. The proposed reinsurance agreement is attached in substantial form to the Master Transaction Agreement as Exhibit D (the "COLI Reinsurance Agreement"). The COLI Reinsurance Agreement will remain in effect until such time as (1) the Domestic Insurer's liability arising out of or related to the COLI Policies is terminated in accordance with the respective terms thereof or (2) the Domestic Insurer has elected to recapture the Reinsured Liabilities (as defined in the COLI Reinsurance Agreement) in full pursuant to the terms of the COLI Reinsurance Agreement. The parties project that the reserves with respect to the portion of the liabilities to be ceded by the Domestic Insurer and assumed by the Bermuda Reinsurer will be approximately \$628 million, and this transaction will result in an increase in the Domestic Insurer's surplus in an amount equal to approximately \$79 million. The Bermuda Reinsurer will pay to the Domestic Insurer a ceding commission in an amount equal to approximately \$76 million.

The Bermuda Reinsurer will establish a reserve credit security trust with qualified assets to secure its reinsurance obligations to the Domestic Insurer. The proposed trust agreement is attached in substantial form to the Master Transaction Agreement as Exhibit E. Pursuant to Section 14.16 of the Master Transaction Agreement, LMGI has agreed to guarantee the Bermuda Reinsurer's obligations to the Domestic Insurer in connection with the COLI Reinsurance Agreement. Pursuant to one or more administrative services agreements, the Reinsurer, the NY Reinsurer or a third party administrator selected by the Bermuda Reinsurer will administer the COLI Policies at the direction of the Bermuda Reinsurer and on behalf of the Domestic Insurer. A term sheet for the proposed administrative services arrangements is attached in substantial form to the Master Transaction Agreement as Exhibit C.

The Applicants, on behalf of the Domestic Insurer, respectfully request that the Commissioner's approval of this Amended and Restated Statement be deemed to include approval of the COLI Reinsurance Agreement pursuant to N.H. Rev. Stat. § 403-A:3.

#### **4. Guarantee Hold Harmless and Indemnification Agreement**

LMIC and the Domestic Insurer are parties to a Guarantee, dated as of February 3, 1998, as amended March 3, 2006 (the "Existing Guarantee"), pursuant to which, among other things, LMIC guarantees the full and punctual payment when due of all obligations of the Domestic Insurer arising out of or in connection with any insurance policy or annuity contract, in each case, in accordance with the terms thereof. Pursuant to the terms of the Existing Guarantee, if the Domestic Insurer's financial strength ratings issued by each of Standard & Poor's Corporation and A.M. Best Company, Inc. immediately following the Closing are at least as high as they were immediately prior to the Closing, then the Existing Guarantee will terminate in accordance with its terms immediately following the Closing. At the Closing, LMIC, the Buyer and LNC propose to enter into a Hold Harmless and Indemnification Agreement, a copy of which is attached as Exhibit L to the Master Transaction Agreement (the "Guarantee Hold Harmless and Indemnification Agreement"). Pursuant to the terms of the Guarantee Hold Harmless and Indemnification Agreement, the Buyer and LNC will agree, on a joint and several basis, to indemnify LMIC and its successors and permitted assigns (collectively, the "LMIC Indemnified Parties") for all amounts paid by the LMIC Indemnified Parties pursuant to the terms of the Existing Guarantee and to pay any and all amounts that are then or later become due and payable by an LMIC Indemnified Party pursuant to the Existing Guarantee. The Buyer, on behalf of the Domestic Insurer, separately filed a Form D Prior Notice of a Transaction, dated March 6, 2018, requesting the Commissioner's approval of the Guarantee Hold Harmless and Indemnification Agreement pursuant to N.H. Rev. Stat. § 401-B:5(I)(b)(5). The Guarantee Hold Harmless and Indemnification Agreement is also subject to the approval (or non-disapproval) of the Indiana Department of Insurance pursuant to Ind. Code § 27-1-23-4(b).

#### **5. Counterparties Hold Harmless and Indemnification Agreement**

The Domestic Insurer and Barco are parties to that certain Net Worth Maintenance Agreement, dated January 10, 2011 (the "Net Worth Maintenance Agreement"), pursuant to which, among other things, the Domestic Insurer agrees to (a) cause Barco to have a Net Worth (as defined in the Net Worth Maintenance Agreement) equal to the greater of (i) U.S. \$25,000 at all times, and (ii) the minimum Net Worth that Barco is required to maintain from time to time to conduct its business under the laws of Barbados and (b) if Barco shall have insufficient assets to make any payment required under the terms of any obligation of Barco to a person (and such person's successor in title or assign) to whom Barco owes money, including, without limitation, a claimant entitled to receive periodic payments under a non-qualified structured settlement or funding agreement where the periodic payment obligation under such agreement has been assigned to Barco, upon Barco's written notice, contribute to Barco, on a timely basis, the amount of funds that Barco needs in order to meet such payment obligation. As Barco is an Excluded Subsidiary, at or prior to the Closing, the Net Worth Maintenance Agreement will be assigned to LMGI.

Barco's periodic payment obligations under the non-qualified structured settlements assigned to it are funded, in each case, through the purchase of an annuity from the Domestic

Insurer. Pursuant to the terms of the Master Transaction Agreement, at the Closing, LMGI, the Buyer, LNC, the Reinsurer and the Reinsurer Parent propose to enter into a Hold Harmless and Indemnification Agreement, a copy of which is attached as Exhibit G to the Master Transaction Agreement (the “Counterparties Hold Harmless and Indemnification Agreement”). Pursuant to the terms of the Counterparties Hold Harmless and Indemnification Agreement, the Reinsurer, the NY Reinsurer, the Reinsurer Parent, the Buyer and LNC will, on a joint and several basis, indemnify LMGI and its affiliates and their respective successors and permitted assigns (collectively, the “LMGI Indemnified Parties”) for amounts paid by the LMGI Indemnified Parties pursuant to the Net Worth Maintenance Agreement, as well as pay any and all amounts that are then or later become due and payable, on behalf of LMGI or any other LMGI Indemnified Party, pursuant to the Net Worth Maintenance Agreement, in each case, to the extent and in the amount of the Reinsurer’s or the Domestic Insurer’s failure to make a payment with respect to the annuities that are written, issued, reinsured or assumed by the Domestic Insurer and owned by Barco. The Buyer, on behalf of the Domestic Insurer, separately filed a Form D Prior Notice of a Transaction, dated March 6, 2018, requesting the Commissioner’s approval of the Counterparties Hold Harmless and Indemnification Agreement pursuant to N.H. Rev. Stat. § 401-B:5(I)(b)(5). The Counterparties Hold Harmless and Indemnification Agreement is also subject to the approval (or non-disapproval) of the Indiana Department of Insurance pursuant to Ind. Code § 27-1-23-4(b).

## **6. Fronting Agreement**

Pursuant to the terms of the Master Transaction Agreement, simultaneously with the Closing, the Domestic Insurer and Liberty Insurance Underwriters Inc., an Illinois domestic property and casualty insurer and a direct, wholly owned subsidiary of LMIC (“LIU”), will enter into a fronting and inforce reinsurance agreement, which is attached in substantial form to the Master Transaction Agreement as Exhibit H (the “Fronting Agreement”), to be effective as of the first day of the calendar month in which the Closing occurs. Pursuant to the Fronting Agreement, the Domestic Insurer will cede to LIU its inforce individual accident and health business, together with certain individual accident and health business written following the Closing. The Fronting Agreement will remain in effect until such time as the Domestic Insurer’s liability arising out of or related to the Reinsured Policies (as defined in the Fronting Agreement) is terminated in accordance with the respective terms thereof. The amount of the projected reserves with respect to the portion of the liabilities to be ceded by the Domestic Insurer and assumed by LIU is approximately \$9,500, and the Fronting Agreement will have a *de minimus* impact on the Domestic Insurer’s surplus. No ceding commission will be paid in connection with the Fronting Agreement. The Applicants, on behalf of the Domestic Insurer, respectfully request that the Commissioner’s approval of this Amended and Restated Statement be deemed to include approval of the Fronting Agreement pursuant to N.H. Rev. Stat. § 403-A:3.

## **7. Reinsurance of the Domestic Insurer’s Group Benefits Business**

Subject to receipt of required regulatory approvals, simultaneously with the Closing, the Domestic Insurer plans to cede, or retrocede, as applicable, substantially all of the Domestic Insurer’s existing and future group benefits business to the Buyer. Under the terms of the reinsurance agreement, the form of which is attached hereto as **Exhibit F-1** (the “Intercompany Reinsurance Agreement”), the Buyer will reinsure 100% of the applicable liabilities on a funds withheld coinsurance basis and administer the business. The Domestic Insurer will retain the assets

supporting the reserves in a funds withheld account. A redline copy of the Intercompany Reinsurance Agreement attached as **Exhibit F-1** hereto marked against the Intercompany Reinsurance Agreement attached as **Exhibit F** to the Original Statement is attached as **Exhibit F-2** hereto. The Intercompany Reinsurance Agreement will remain in effect until such time as all risks associated with it terminate and all amounts due and payable thereunder have been paid in full. The parties project that the reserves with respect to the portion of the liabilities to be ceded by the Domestic Insurer and assumed by the Buyer will be approximately \$3.0 billion. No ceding commission will be paid under the Intercompany Reinsurance Agreement, and this reinsurance transaction will have no impact on the Domestic Insurer's surplus.

The Domestic Insurer will maintain a funds withheld account (the "**Funds Withheld Account**") to hold the assets supporting the liabilities ceded to the Buyer under the Intercompany Reinsurance Agreement. The Funds Withheld Account and the assets maintained therein will be owned and maintained by the Domestic Insurer and will be part of the Domestic Insurer's general account. Accordingly, the Funds Withheld Account and the assets maintained therein will continue to be subject to all laws and regulations, including those regarding investments, applicable to all other general account assets of the Domestic Insurer. Under the terms of the Intercompany Reinsurance Agreement, the Domestic Insurer may use its reasonable discretion in managing the assets in the Funds Withheld Account, provided, that it and its designated investment advisor comply with the investment guidelines set forth in Schedule E to the Intercompany Reinsurance Agreement. The performance of the assets maintained in the Funds Withheld Account, including net investment income and realized capital gains and losses, will inure to the sole benefit or cost of the Buyer.

At the close of each calendar quarter, in the event that (a) the Funds Withheld Balance (as defined in the Intercompany Reinsurance Agreement) exceeds the Required Funds Withheld Amount (as defined in the Intercompany Reinsurance Agreement) for such calendar quarter, such excess will be payable to the Buyer by the Domestic Insurer in accordance with Article VI, Section 2 of the Intercompany Reinsurance Agreement, and (b) the Funds Withheld Balance is less than the Required Funds Withheld Amount for such calendar quarter, an amount equal to such deficiency will be payable to the Domestic Insurer by the Buyer, as set forth in Article VI, Section 2 of the Intercompany Reinsurance Agreement, and the Domestic Insurer shall immediately deposit such payment received from the Buyer into the Funds Withheld Account.

Assets in the Funds Withheld Account may be withdrawn and applied by the Domestic Insurer or any successor of the Domestic Insurer by operation of law only for the following purposes: (i) to reimburse the Domestic Insurer for return of premiums in accordance with the terms of the policies reinsured pursuant to the terms of the Intercompany Reinsurance Agreement, (ii) to reimburse the Domestic Insurer for claims paid by the Domestic Insurer under the terms and conditions of the policies reinsured pursuant to the terms of the Intercompany Reinsurance Agreement, and (iii) to pay any other amounts due to the Domestic Insurer under the Intercompany Reinsurance Agreement.

The Buyer, on behalf of the Domestic Insurer, separately filed a Form D Prior Notice of a Transaction, dated March 6, 2018, requesting the Commissioner's approval of the Intercompany Reinsurance Agreement pursuant to N.H. Rev. Stat. § 401-B:5(I)(b)(3). The Applicants, on behalf of the Domestic Insurer, respectfully request that the Commissioner's approval of this



Amended and Restated Statement be deemed to include approval of the Intercompany Reinsurance Agreement pursuant to N.H. Rev. Stat. § 403-A:3. The Intercompany Reinsurance Agreement is also subject to the approval (or non-disapproval) of the Indiana Department of Insurance pursuant to Ind. Code § 27-1-23-4(b). The receipt of regulatory approvals with respect to the Intercompany Reinsurance Agreement is not a condition to the Closing.

## 8. Proposed Changes to the Domestic Insurer's Directors and Executive Officers

The following individuals will be appointed as directors and executive officers of the Domestic Insurer:

Name	Title
Rajat Chakraborty	Executive Vice President and Chief Digital Officer
Ellen Cooper	Director, Executive Vice President and Chief Investment Officer
Jeffrey Coutts	Corporate Treasurer and Senior Vice President
Amy Eby	Vice President and Appointed Actuary
Randal Freitag	Director, Executive Vice President, Chief Financial Officer and Head of Individual Life
Wilford Fuller	Director and Executive Vice President
Dennis R. Glass	President and Chief Executive Officer
Andrea Goodrich	Senior Vice President and Secretary
Kirkland Hicks	Director, Executive Vice President and General Counsel
Keith Ryan	Director and Vice President
Kenneth Solon	Executive Vice President and Chief Information Officer

Signed original NAIC biographical affidavits completed by each individual who is proposed to be a new officer or director of the Domestic Insurer were included in **Exhibit C-2** filed with the Original Statement. The Applicants have submitted the biographical affidavits included in **Exhibit C-2** to a third-party background check service provider approved by the NAIC.

## 9. Intercompany Agreements

In accordance with the terms of Section 8.07(b) of the Master Transaction Agreement, the parties expect that prior to the Closing, certain Intercompany Agreements (as defined in the Master Transaction Agreement) to which the Domestic Insurer is currently a party will be terminated. Following the Closing, the Applicants plan for the Domestic Insurer to become a party to certain intercompany agreements as necessary and appropriate, which may include (but which are not limited to) general corporate services, tax sharing, investment management and cash management agreements, in each case, currently in force within the Applicants' insurance holding company system. Applications to obtain the approval (or non-disapproval) of the Department for the Domestic Insurer to become a party to such intercompany agreements will be submitted to the Department under separate cover.

*C. Transactions Proposed to Occur Within Twelve (12) Months Following the Closing*

**1. Proposed Changes to Product Offerings**

Following the Closing, the Applicants intend that the Domestic Insurer will cease writing new business, other than issuing, during a transition period:

- policies sold in the ordinary course of business prior to the Closing;
- certain group benefits business that will be ceded to the Buyer pursuant to the Intercompany Reinsurance Agreement;
- the individual accident and health products that will be subject to the Fronting Agreement; and
- the individual life and annuity products issued pursuant to the Distribution Agreement (if entered into), which will be reinsured and administered by the Reinsurer and the NY Reinsurer pursuant to the Protective Reinsurance Agreements and the Protective Administrative Services Agreements.

The Domestic Insurer uses a national network of licensed insurance producers to distribute its individual and group products. Following the Closing, the Domestic Insurer may continue to offer and distribute its group products, which business will be ceded to the Buyer pursuant to the Intercompany Reinsurance Agreement. Furthermore, the Buyer will begin integrating the Domestic Insurer's distribution channels for the Domestic Insurer's group products into the Buyer's own group product distribution infrastructure.

The Applicants or the Domestic Insurer, as applicable, will give all required notices, make all required regulatory filings (including, if applicable, those related to withdrawal from a line of business) and obtain all required regulatory approvals prior to effecting these changes.

**2. Proposed Merger of the Domestic Insurer with and into the Buyer**

Subject to receipt of required regulatory approvals, within one year following the Closing, the Applicants desire to cause the Domestic Insurer to merge with and into the Buyer, with the Buyer continuing as the surviving corporation (the "Proposed Merger"). Because the Buyer is already selling group products under its own brand, the Proposed Merger will result in operational efficiencies and will prevent marketplace confusion among brands. LNC, the Buyer or the Domestic Insurer, as applicable, will file all required regulatory filings and obtain all required regulatory approvals prior to effecting the Proposed Merger.

Following the Closing and the completion of the Proposed Merger, the Applicants intend to maintain a significant physical presence in New Hampshire. The Domestic Insurer currently does not have any direct employees; instead, employees of certain subsidiaries of LMGI provide services to the Domestic Insurer pursuant to intercompany management agreements. In connection with the Closing, approximately 1950 employees within LMGI's holding company system who are involved in servicing the Domestic Insurer's group benefits business will become employees of the Buyer (the "Acquired Employees"). Approximately 800 of the Acquired

Employees work in New Hampshire. Most of the remaining Acquired Employees work in North Carolina, Massachusetts, Connecticut or Arizona. Although approximately 475 employees within LNC's holding company system work in New Hampshire, none of the approximately 2,000 existing employees within LNC's holding company system who are currently involved in servicing the Buyer's group protection business reside or work in New Hampshire. As the Applicants integrate the Domestic Insurer's group operations into the Buyer, the Applicants will work to define a staffing model that leverages the capabilities and best practices of each of the respective organizations. Due to competitive and antitrust concerns, more detailed staffing plans cannot be determined until after the Closing.

*D. Competitive Impact of the Proposed Acquisition in New Hampshire*

Applying the criteria set forth in N.H. Rev. Stat. § 401-B:3-a, the Proposed Acquisition will not substantially lessen competition in any line of insurance in the State of New Hampshire or tend to create a monopoly in the State of New Hampshire. The Applicants separately filed with the Commissioner a Form E Pre-Acquisition Notification, dated February 2, 2018, which demonstrates that, in all pertinent lines of business, the Proposed Acquisition meets the pre-acquisition notification exemption standards set forth in N.H. Rev. Stat. § 401-B:3-a(II)(b)(4).

**ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

The Domestic Insurer currently has 8,000 shares of common stock issued and outstanding and no preferred stock outstanding. LMIC directly owns ninety percent (90%) of the Domestic Insurer's issued and outstanding common stock, and LMFIC directly owns ten percent (10%) of the Domestic Insurer's issued and outstanding common stock. As described in more detail in Item 1(B) hereof, subject to the terms and conditions of the Master Transaction Agreement, at the Closing, the Buyer will acquire all of the issued and outstanding shares of the Domestic Insurer. Accordingly, as a result of the Closing, all of the issued and outstanding shares of the Domestic Insurer will be owned directly by the Buyer and indirectly by LNC.

The terms of the Master Transaction Agreement are described in Item 1(B) hereof. A statement as to the method by which the fairness of the proposal was determined is included in Item 4(B) hereof.

**ITEM 7. OWNERSHIP OF VOTING SECURITIES**

None of the Applicants, their affiliates or any person listed in Item 3 hereof beneficially owns any class of any voting security of the Domestic Insurer or has the right to acquire beneficial ownership of any class of any voting security of the Domestic Insurer, except as set forth in the Master Transaction Agreement.

**ITEM 8. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

Except as set forth in the Master Transaction Agreement and in this Amended and Restated Statement, there are no contracts, arrangements or understandings with respect to any voting security of the Domestic Insurer, in which the Applicants, their affiliates or any person listed in Item 3 hereof is involved, including but not limited to, transfer of any of the securities, joint

ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

#### **ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

None of the Applicants, their affiliates, or any person listed in Item 3 hereof has purchased any voting securities of the Domestic Insurer during the twelve calendar months preceding the filing of this Amended and Restated Statement.

#### **ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

Except with respect to the Proposed Acquisition, none of the Applicants, their affiliates or any person listed in Item 3 hereof, or, to the knowledge of the Applicants, anyone based upon interviews or at the suggestion of the Applicants, their affiliates or any person listed in Item 3 hereof, has made any recommendations during the twelve calendar months preceding the filing of this Amended and Restated Statement to purchase any voting security of the Domestic Insurer.

#### **ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

No agreement, contract or understanding has been made by the Applicants, their affiliates or any person listed in Item 3 hereof with any broker-dealer as to solicitation of voting securities of the Domestic Insurer for tender and no amount of any fees, commissions or other compensation has been paid by the Applicants, their affiliates or any person listed in Item 3 hereof to broker-dealers with regard thereto.

#### **ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

##### **A. Exhibits**

All exhibits referenced in this Amended and Restated Statement are itemized below:

<b><u>Exhibit A-1</u></b> .....	Master Transaction Agreement
<b><u>Exhibit A-2</u></b> .....	Exhibits and Schedules to the Master Transaction Agreement ( <b>submitted confidentially under separate cover</b> )
<b><u>Exhibit B-1</u></b> .....	Pre-Closing Organizational Chart of the Applicants and Their Affiliates
<b><u>Exhibit B-2</u></b> .....	Post-Closing Organizational Chart of the Applicants and Their Affiliates
<b><u>Exhibit C-1</u></b> .....	List of Directors and Executive Officers of LNC and the Buyer

<b><u>Exhibit C-2</u></b> .....	NAIC Biographical Affidavits ( <b>submitted confidentially under separate cover</b> )
<b><u>Exhibit D-1</u></b> .....	Plan of Operations of the Domestic Insurer ( <b>submitted confidentially under separate cover</b> )
<b><u>Exhibit D-2</u></b> .....	Three-Year Financial Projections for the Domestic Insurer ( <b>submitted confidentially under separate cover</b> )
<b><u>Exhibit D-3</u></b> .....	Redline of the Plan of Operations ( <b>submitted confidentially under separate cover</b> )
<b><u>Exhibit E</u></b> .....	Transaction Structure Diagrams
<b><u>Exhibit F-1</u></b> .....	Intercompany Reinsurance Agreement ( <b>submitted confidentially under separate cover</b> )
<b><u>Exhibit F-2</u></b> .....	Redline of the Intercompany Reinsurance Agreement ( <b>submitted confidentially under separate cover</b> )
<b><u>Exhibit G-1</u></b> .....	Audited Financial Statements of LNC for the Period Ending December 31 of each of 2012, 2013, 2014, 2015 and 2016
<b><u>Exhibit G-2</u></b> .....	Audited Financial Statements of LNC for the Period Ending December 31, 2017
<b><u>Exhibit G-3</u></b> .....	[Deleted]
<b><u>Exhibit G-4</u></b> .....	LNC's Current Report on Form 8-K, filed on January 19, 2018 with the SEC
<b><u>Exhibit G-5</u></b> .....	LNC's Current Report on Form 8-K, filed on January 22, 2018 with the SEC

<b><u>Exhibit G-6</u></b> .....	LNC's Current Report on Form 8-K, filed on February 12, 2018 with the SEC
<b><u>Exhibit H</u></b> .....	LNC Annual Reports to Shareholders for the Periods Ending December 31, 2015 and December 31, 2016
<b><u>Exhibit I</u></b> .....	Redline of the Amended and Restated Statement Against the Original Statement
<b><u>Exhibit J</u></b> .....	Letter Agreement (submitted confidentially under separate cover)
<b><u>Exhibit K</u></b> .....	Parental Guarantee (submitted confidentially under separate cover)
<b><u>Exhibits A-1, A-2, B-1, B-2, C-1, C-2, G-1, G-4, G-5, and H</u></b> , as attached to the Original Statement, are hereby incorporated by reference.	

*B. Financial Statements*

**Exhibit G-1** includes the annual audited consolidated financial statements of LNC for the fiscal years ended December 31, 2016, 2015, 2014, 2013 and 2012, which audited financial statements are accompanied by the certificate of an independent public accountant, to the effect that such financial statements present fairly the consolidated financial position, and the results of operations for the year then ended, of LNC, in conformity with generally accepted accounting principles. **Exhibit G-2** includes the annual audited consolidated financial statements of LNC for the fiscal year ended December 31, 2017, which audited financial statements are accompanied by the certificate of an independent public accountant, to the effect that such financial statements present fairly the consolidated financial position, and the results of operations for the year then ended, of LNC, in conformity with generally accepted accounting principles.

*C. Tender Offers and Annual Reports*

To the knowledge of the Applicants, other than as disclosed in this Amended and Restated Statement, there have been no (1) tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any voting securities of the Domestic Insurer (or additional soliciting material related thereto), or (2) proposed employment, consultation, advisory or management contracts concerning the Domestic Insurer.

LNC's annual reports to shareholders for the fiscal years ended December 31, 2015 and December 31, 2016 are attached to the Original Statement as **Exhibit H**, which is hereby

incorporated by reference as **Exhibit H** hereto. Neither the Buyer nor the Domestic Insurer have had any annual reports to stockholders for the last two fiscal years.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT**

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form F within 15 days after the end of the month in which the acquisition of control of the Domestic Insurer occurs, and the Applicants agree to provide the annual report, specified in N.H. Rev. Stat. § 401-B:4(XII) (*i.e.*, Form F), for as long as the Applicants control the Domestic Insurer. The Applicants and all subsidiaries within their control in the insurance holding company system agree to provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the Domestic Insurer.

**ITEM 14. SIGNATURE AND CERTIFICATION**


The signature and certification of the Applicants are set forth on the immediately following pages.

*[Signature pages follow]*

## SIGNATURE

Pursuant to the requirements of RSA 401-B:3, Lincoln National Corporation has caused this amended and restated application to be duly signed on its behalf in the City of Radnor and Commonwealth of Pennsylvania on the 4 day of April, 2018.

### LINCOLN NATIONAL CORPORATION

By: 

Name: Douglas Cooperberg

Title: Vice President and  
Assistant General Counsel

Attest:

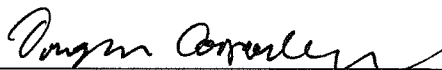
By: 

Name: Nancy A. Smith

Title: Vice President

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached amended and restated application dated April 4, 2018, for and on behalf of Lincoln National Corporation; that he is the Vice President and Assistant General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: 

Name: Douglas Cooperberg


Title: Vice President and  
Assistant General Counsel



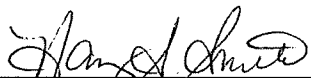
## SIGNATURE

Pursuant to the requirements of RSA 401-B:3, The Lincoln National Life Insurance Company has caused this amended and restated application to be duly signed on its behalf in the City of Radnor and Commonwealth of Pennsylvania on the 4 day of April, 2018.

### THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

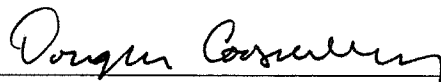
By:   
Name: Douglas Cooperberg  
Title: Vice President and  
Assistant General Counsel

Attest:

By:   
Name: Nancy A. Smith  
Title: Vice President

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached amended and restated application dated April 4, 2018, for and on behalf of The Lincoln National Life Insurance Company; that he is the Vice President and Assistant General Counsel of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By:   
Name: Douglas Cooperberg  
Title: Vice President and  
Assistant General Counsel